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THE EFFECTIVENESS OF THE GRAMEEN BANK SYSTEM IN OVERCOMING NON-PERFORMING LOANS IN MITRA DHUAFA COOPERATION JAKARTA

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Abstract
KOMIDA as a microfinance institution has carried out a non-performing credit control strategy through the grameen bank system. This study aims to analyze the influence of human capital (X1), social capital (X2) and SOP (X3) on the effectiveness of the grameen bank system in controlling problem loans at the Komida Central Office. This research was conducted at the Mitra Dhuafa Cooperative Headquarters Jakarta for 2 months, April – May 2012. The research design used was descriptive and associative. The population in this study were 36 employees of the Jakarta Mitra Dhuafa Cooperative Head Office. Due to the relatively small number of populations that can be reached by researchers as a whole, a saturated sample is used. Data were analyzed by multiple linear regression. The results of the research show that (1) human capital,
Keywords: *human capital, social capital, standard operating procedure.*

A. INTRODUCTION

Mitra Dhuafa Cooperative is a non-bank financial institution that has been established for 5 years. At first, KOMIDA started the Grameen Bank replication program with the legal entity Foundation through YAYASAN MITRA DHUAFA (YAMIDA). YAMIDA itself was established in mid-2004 with the aim of building large, professional and sustainable MFIs in Indonesia. Activities During the last 6 years KOMIDA has experienced very rapid growth, it was noted that in September 2011 a total of 66,638 KOMIDA members were spread across 7 provinces starting from Aceh, West Java, Central Java, Yogyakarta, East Java, West Sulawesi and Central Sulawesi. Currently KOMIDA has 39 branches throughout Indonesia, which are expected to reach all levels of society, especially small communities in rural areas by providing direct liquid funds for business capital. In the last 6 years, KOMIDA has distributed revolving funds of around Rp. 225 billion to small communities, especially poor women who have become members of the Mitra Dhuafa Cooperative (KOMIDA). With the assistance of young and professional staff, KOMIDA is ready to serve the poor, especially poor women in Indonesia through the Grameen Bank System Program.

The grameen bank system has been adopted by KOMIDA, so it is hoped that its success will also be achieved as the country of origin of this system. However, Komida's success as a microfinance institution cannot be separated from good management. In this case it is credit management which is good credit management starting from planning the amount of credit, determining interest rates, lending procedures, analysis of credit granting to controlling and supervising bad credit (Kasmir, 2008). Credit distribution has the following objectives: (1) seeking profit, (2) helping customer businesses and (3) helping the government.

In order for the credit provided by KOMIDA to achieve the desired results and targets, it is necessary to have good management of receivables or credit. In order to facilitate the control of credit, financial institutions generally state a quantity or value that becomes standard in their operations. According to Hasibuan, (2001) the purpose of credit control, among others, is to: keep the credit being channeled safe, knowing whether the credit being distributed is smooth or not, taking precautions and resolving bad credit or bad credit, evaluating whether the credit distribution procedure is has been done well or still needs to be perfected, correcting credit analysis employee mistakes and trying to prevent these mistakes from happening again,

Huseini (1999) explains that human capital is a reflection of education, experience, intuition and expertise. Human capital is an asset related to one's intellect and condition that is obtained through formal and non-formal education supported by excellent physical and mental health and the ability to make good, profitable and sustainable relationships/interactions between people. Likewise, the results of Fukuyama's research (1995) concerning the relationship between community capacity and human capital have implications for theories related to the concept of human capital as an antecedent of the empowerment process.

Various studies show that social capital is an important facilitator in economic development. Social capital formed based on economic and social activities in the past is seen as a factor that can increase economic development and if used properly can strengthen the effectiveness of development (Sumodiningrat, 2011). Based on some of these explanations, it can be concluded that social capital is a norm or value that has been shared by the community that can strengthen positive social/work networks, establish mutually beneficial cooperation, foster high awareness and solidarity and can encourage a level of trust between others in order to achieve common goals (Syabra, 2003).

*job procedures*are formal responsibilities or duties or official orders or ways of doing things. One of the concrete forms of explicit knowledge is the Standard Operation Procedure. Standard Operation Procedures or basic implementation procedures are made to maintain quality and work results, where tasks will be easier to do and service users will be familiar with the existing service system (Kosasih and Budiani, 2009). KOMIDA as a microfinance institution has carried out a non-performing credit control strategy through the grameen bank system. This study aims to analyze the influence of human capital, social capital and SOP on the effectiveness of the grameen bank system in controlling problem loans at the Komida Central Office.

B. METHODS

Research sites

This research was conducted at the Head Office of the Mitra Dhuafa Cooperative, Jakarta, with the consideration that this cooperative has implemented a grameen bank system in controlling non-performing loans.

Population and Sample

The population in this study was the Jakarta Mitra Dhuafa Cooperative Headquarters with 36 people. In connection with the relatively small number of population and which can be reached by researchers as a whole, a saturated sample (full sampling) of 36 people was used.

Data analysis

Data were analyzed with Multiple Linear Regression Analysis (multiple regression analysis). This method is used to see the level of influence of the independent variables on the dependent variables, either simultaneously or together or partially. For this reason, the multiple regression formula is used with the formulation:

$$\mathbf{Y = b0 + b1\ X1 + b2\ X2 + b3\ X3 + e}$$

Where :
Y = grameen bank system effectiveness
X1= Human Capital
X2= Social Capital
X3= Standard Operational Procedure
b0 = constant
b1 ,b2 , b3 = correlation coefficient of variables X1, X2, X3
e = standard error

C. RESULTS

This study shows the influence of the independent variables as a determinant of 71.8% indicating that the variables human capital, social capital and SOP jointly affect the dependent variable, namely the effectiveness of the bank's grameen system in controlling problem loans. While the remaining 28.2% is influenced by other variables outside the model. This indicates that there are other variables, apart from those mentioned above, that affect the effectiveness of the grameen bank system in controlling problem loans, which were not examined.

The results of the analysis show that the variables human capital, social capital and SOP together have a significant effect on the effectiveness of the grameen bank system in controlling non-performing loans at Komida. This can be proven from the calculation results, it turns out that Fcount is 17.735, while Ftable is 2.67 at the 5% confidence level. The value of Fcount is greater than Ftable, in other words if Fcount is in the area of rejection of Ho, so from the results of these calculations it can be said that Ho is rejected and H1 is accepted, which means that all independent variables have a joint effect on the dependent variable.

The results of this analysis are also in line with the results of observations made during the study. Observations show that Komida employees have a high level of education, have high knowledge and experience, comply with work operational standards and have high social capital.

The regression coefficient shows the influence of each independent variable (X1, X2, X3) on the dependent variable (Y) if the size of the other independent variables in the model remains the same.

The regression equation obtained is:

$Y = 0.935 + 0.609\ X, + 0.183\ X2 + 0.597\ X3$

The effect of the independent variables namely human capital, social capital and SOP on the dependent variable, namely the effectiveness of the Grameen Bank System at Komida (Y) is known through the calculation of multiple linear regression. Based on the results of data processing using the SPSS 15.00 program, it shows the results of multiple linear regression analysis, where it can be seen that the largest regression coefficient value is the human capital variable, as well as the calculated t value and partial r2 value, which indicates that the greatest influence comes from human capital variable with a large influence of 60.5%, because it has the largest correlation coefficient value between the other two variables.

D. DISCUSSION

The human capital variable (X1) turns out to be positive, this means that an increase in human capital will increase the effectiveness of the grameen bank system in controlling problem loans at Komida. Furthermore, the magnitude of the regression coefficient is 0.609, meaning that every one unit increase in the human capital variable will result in an increase of 0.609 units, the effectiveness of the grameen bank system in controlling problem loans, if other variables are constant. The coefficient of partial determination explains the effect of each change in the independent variable (X) on changes in the dependent variable (Y). The results of data processing show that the partial coefficient (r) for the human capital variable is 0.605. This means that: the human capital variable can explain any variations in the effectiveness of the grameen bank system in controlling problem loans of 0. 605 assuming that other variables are constant, meaning that it shows that human capital has a significant correlation with the effectiveness of the grameen bank system in controlling non-performing loans of 60.5% assuming other variables do not change. This is in line with the opinion of Hoy and Fergusson (1985) that to produce good performance, companies need a good system too. This system is not only existing regulations or standards but also involves directly related parties, namely human resources. This is in line with the opinion of Hoy and Fergusson (1985) that to produce good performance, companies need a good system too. This system is not only existing regulations or standards but also involves directly related parties, namely human resources. This is in line with the opinion of Hoy and Fergusson (1985) that to produce good performance, companies need a good system too. This system is not only existing regulations or standards but also involves directly related parties, namely human resources.

Testing the regression coefficients of the variables, the human capital variable (X1) is significant or not significant, testing the significance of the t price is carried out. The test was carried out by means of a two-way test, using a significance level of 5%. The test results obtained tcount for the variable human capital of 2.803; While the magnitude of the ttable at the 5% confidence level is $\pm$ 1.960. The values mentioned above can be explained that partially (alone), the human capital variable has a significant effect on the effectiveness of the grameen bank system in controlling problem loans because the t count > t table value. The calculated t value of the independent variable is in the area of Ho rejection, this means that the regression coefficient of the human capital variable is not equal to 0, in other words the variable coefficient is significant. Based on the results of the descriptive analysis it is known that the human capital variable is in the high category. This is supported by the results of observations which show that increasing human capital can be done through increasing knowledge through individual and co-worker experiences, actively communicating and sharing the best experiences for the progress of the company.

This is in line with the opinion of Fukuyama (1995) regarding the relationship between community capacity and human capital and has implications for theories related to the concept of human capital as an antecedent of the empowerment process. Improving community empowerment requires a coherent package of changes in physical capital that is built on the strength of educational facilities and infrastructure in developing human resources and the capabilities of empowering actors.

The social capital variable (X2) turns out to be positive, this means an increase in social capital, it will increase the effectiveness of the grameen bank system in controlling problem loans and the magnitude of the regression coefficient is 0.183 which means that every one unit increase in the social capital variable will result in an increase of 0.183 units of system effectiveness grameen bank in controlling problem loans, if other variables are constant. The coefficient of partial determination explains the effect of each change in the independent variable (X) on changes in the dependent variable (Y). From the results of data processing, it shows that the partial coefficient (r) for the social capital variable is 0.192. This means that the social capital variable can explain any variations in the effectiveness of the grameen bank system in controlling non-performing loans of 0. 192 with the assumption that other variables are constant, meaning that it shows that human capital is significantly correlated with the effectiveness of the grameen bank system in controlling problem loans by 19.2% assuming other variables do not change. Testing the regression coefficients of the variables, the human capital variable (X2) is significant or not significant, testing the significance of the t price is carried out. The test was carried out by means of a two-way test, using a significance level of 5%. The test results obtained tcount for the variable human capital of 2.793; while the magnitude of the ttable at the 5% confidence level is $\pm$ 1.960. The values mentioned above can be explained that partially (alone), the social capital variable significantly influences the effectiveness of the grameen bank system in controlling non-performing loans, because the t count > t table value. The calculated t value of the independent variable is in the area of Ho rejection, this means that the regression coefficient of the human capital variable is not equal to 0, in other words the coefficient is significant. Based on the results of the descriptive analysis it is known that the human capital variable is in the high category. The observation results also show that in general, the understanding of each employee and customer has a fairly high understanding of social networks and work networks, trust, adherence to norms and rules, concern for others and involvement in social organization activities. This is in line with the research results of the Padjadjaran University Research Institute (2008) which concluded that the concept of social capital is an important component to support the human development model because in this model, humans are placed as important subjects that determine the direction of development implementation. Participation and the capacity to organize themselves are important so that society can play a role in the model of human development.

The SOP variable (X3) turns out to be positive, this means that an increase in understanding of SOP will increase the effectiveness of the grameen bank system in controlling problem loans and the magnitude of the regression coefficient is 0.597 which means that every one unit increase in the SOP variable will result in an increase of 0.597 units in the effectiveness of the grameen bank system in controlling non-performing loans, when other variables are constant. The coefficient of partial determination explains the effect of each change in the independent variable (X) on changes in the dependent variable (Y). The results of data processing show that the partial coefficient (r) for the SOP variable is 0.583. This means that the SOP variable can explain any variations in the effectiveness of the grameen bank system in controlling problem loans of 0.583 with the assumption, that other variables are constant, meaning that it shows that SOP is significantly correlated with performance by 58.3% assuming other variables do not change. Testing the regression coefficients of the variables, the SOP variable (X3) is significant or not significant, testing the significance of the t price is carried out. The test was carried out by means of a two-way test, using a significance level of 5%. The test results obtained tcount for the SOP variable of 2.176. While the magnitude of the ttable at the 5% confidence level is $\pm$ 1.960. The values mentioned above can be explained that partially (by themselves), the SOP variable has a significant effect on the effectiveness of the bank's grameen system in controlling problem loans, because the t count value > t table value. The calculated t value of the independent variable is in the area of Ho rejection, this means that the regression coefficient of the SOP variable is not equal to 0, in other words, the three coefficients are significant. This is in line with the opinion of Kosasih and Budiani (2009) that job procedures are formal responsibilities or tasks or official orders or ways of doing things. One of the concrete forms of explicit knowledge is the Standard Operation Procedure. Standard Operation Procedures or basic implementation procedures are made to maintain quality and work results, where tasks will be easier to do. This is in line with the opinion of Kosasih and Budiani (2009) that job procedures are formal responsibilities or tasks or official orders or ways of doing things. One of the concrete forms of explicit knowledge is the Standard Operation Procedure. Standard Operation Procedures or basic implementation procedures are made to maintain quality and work results, where tasks will be easier to do. This is in line with the opinion of Kosasih and Budiani (2009) that job procedures are formal responsibilities or tasks or official orders or ways of doing things. One of the concrete forms of explicit knowledge is the Standard Operation Procedure. Standard Operation Procedures or basic implementation procedures are made to maintain quality and work results, where tasks will be easier to do.

E. CONCLUSIONS AND RECOMMENDATIONS

Based on the results of the analysis of the problems and hypothesis testing using multiple linear regression tests, it can be concluded several ha that (1) Human capital (X1), social capital (X2) and SOP (X3) have a positive and significant effect on the effectiveness of the grameen bank system in control of non-performing loans at the Komida Head office and (2) Human capital has the most dominant influence on the effectiveness of the grameen bank system in controlling non-performing loans at the Komida Head office compared to the other two variables. This is supported by the results of observations which show that with Komida's human capital, an increase in human capital will synergize with the effectiveness of the grameen bank system in controlling non-performing loans at Komida's head office.

Based on the conclusions above, several things are suggested, namely (1) To increase the effectiveness of the grameen bank system in controlling problem loans at the Komida Head office, the decision to assign basic tasks and functions, authorities and responsibilities must be based on education, knowledge and experience, ability understand operational standards and social capital capabilities that are integrated and synergized with each other, (2) Increasing human capital through education and training relevant to the main duties and functions of each, both formally and informally, and placing employees based on their knowledge and experience . (3) Increasing social capital by improving relations between employees and Komida customers.

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